

**Washington and Bruce Townships
Senior Transportation
Thru Advanced Reservation**

Financial Report

March 31, 2008

Washington and Bruce Townships Senior Transportation Thru Advanced Reservation

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Independent Auditor's Report

To the Board of Commissioners
Washington and Bruce Townships Senior
Transportation Thru Advanced Reservation

We have audited the accompanying financial statements of the governmental activities and the General Fund of Washington and Bruce Townships Senior Transportation Thru Advanced Reservation (the "System") as of March 31, 2008 and for the year then ended, which collectively comprise the System's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the System's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of Washington and Bruce Townships Senior Transportation Thru Advanced Reservation as of March 31, 2008 and the changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and the budgetary comparison schedule, as identified in the table of contents, are not required parts of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Plante & Moran, PLLC

July 28, 2008

Washington and Bruce Townships Senior Transportation Thru Advanced Reservation

Management's Discussion and Analysis

Our discussion and analysis of Washington and Bruce Townships Senior Transportation Thru Advanced Reservation's (the "System") financial performance provides an overview of its financial activities for the fiscal year ended March 31, 2008. Please read it in conjunction with the System's financial statements.

The System's financial statements are presented on both the modified accrual basis and the government-wide basis, in accordance with Governmental Accounting Standards Board Statement No. 34. The modified accrual basis presents a short-term view; it tells us how the taxpayers' resources were spent during the year, as well as how much is available for future spending. The government-wide statements present a longer-term view of System finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year and whether the taxpayers have funded the full cost of providing System services.

To remain consistent with Governmental Accounting Standards Board Statement No. 34, the management's discussion and analysis report includes comparative data from the prior year within the financial sections below.

Washington and Bruce Townships Senior Transportation (S.T.A.R.) as a Whole

The following tables show, in a condensed format, the net assets as of March 31, 2008 and 2007 and the statement of activities for the years then ended (amounts in thousands):

TABLE I	2008	2007
Assets		
Current assets	\$ 1,286	\$ 1,333
Noncurrent assets	87	79
Total assets	1,373	1,412
Current Liabilities	72	98
Net Assets		
Invested in capital assets	87	79
Unrestricted	1,214	1,235
Total net assets	<u>\$ 1,301</u>	<u>\$ 1,314</u>

Washington and Bruce Townships Senior Transportation Thru Advanced Reservation

Management's Discussion and Analysis (Continued)

TABLE 2	2008	2007
Revenue		
Property taxes	\$ 410	\$ 365
Other	158	172
Total revenue	568	537
Expenses	581	493
Change in Net Assets	\$ (13)	\$ 44

The System's change in net assets during the year was a loss of \$13,000, which is down approximately 130 percent from the prior year. This decrease is due primarily to an increase in expenses due to the increase in gasoline prices and an increase in wages due to raises and additional trips. Property tax revenues increased \$45,000 over prior year, due in part to a large refund of property taxes in the prior year.

The System's revenue consists of millages from Washington and Bruce Townships and municipal and community credits, as well as a specialized service grant from SMART, a regional transportation system. Revenue increased due to the raise in tax bases within the townships.

General Fund Budgetary Highlights

The drivers' wages increased by 5 percent compared to the budget due to an increase in part-time clerical staff, drivers, and additional trips. This correlates directly with the increase in miles, riders, and trips. In addition, there were also unforeseen increases in the cost of fuel, vehicle insurance, and maintenance. Overall, the total expenditures exceeded the budget by approximately \$8,700.

Economic Factors and Next Year's Budgets and Rates

The System's management budgeted for the following expenses next year: additional part-time staff and a new vehicle to replace an existing vehicle, provided grant funding is available. The System will strive to meet its budget.

Contacting Washington and Bruce Townships Senior Transportation Thru Advanced Reservation's Management

This financial report is intended to provide our citizens, customers, and investors with a general overview of the System's finances and show the System's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the STAR transportation office.

Washington and Bruce Townships Senior Transportation Thru Advanced Reservation

Governmental Fund Balance Sheet - Statement of Net Assets March 31, 2008

	Balance Sheet - Modified Accrual	Adjustments (Note 2)	Statement of Net Assets - Full Accrual
Assets			
Cash and investments (Note 3)	\$ 1,248,320	\$ -	\$ 1,248,320
Due from other governmental units	36,819	-	36,819
Taxes receivable (Note 1)	445	-	445
Capital assets - Depreciated (Note 4)	-	86,909	86,909
Total assets	<u>\$ 1,285,584</u>	86,909	1,372,493
Liabilities and Fund Balance			
Liabilities			
Accounts payable	\$ 3,542	-	3,542
Due to other governmental units	46,523	-	46,523
Accrued liabilities	11,438	-	11,438
Employee compensated absences - Due in more than one year (Note 1)	-	10,073	10,073
Total liabilities	61,503	10,073	71,576
Fund Balance - Unreserved and undesignated	<u>1,224,081</u>	<u>(1,224,081)</u>	-
Total liabilities and fund balance	<u>\$ 1,285,584</u>		
Net Assets			
Invested in capital assets		86,909	86,909
Unrestricted		<u>1,214,008</u>	<u>1,214,008</u>
Total net assets		<u>\$ 1,300,917</u>	<u>\$ 1,300,917</u>

Washington and Bruce Townships Senior Transportation Thru Advanced Reservation

Statement of Governmental Fund Revenue, Expenditures, and Changes in Fund Balance - Statement of Activities Year Ended March 31, 2008

	Revenues and Expenditures - Modified Accrual	Adjustments (Note 2)	Statement of Activities - Full Accrual
Revenue			
Taxes	\$ 409,757	\$ -	\$ 409,757
Intergovernmental - Shared revenue	98,977	-	98,977
Interest	52,075	-	52,075
Donations	645	-	645
Weekend service	5,831	-	5,831
Miscellaneous	519	-	519
Total revenue	567,804	-	567,804
Expenditures			
Personnel:			
Drivers	174,104	-	174,104
Weekend drivers	2,765	-	2,765
Coordinator	42,719	-	42,719
Director	18,015	-	18,015
Accounting service	10,490	-	10,490
Administrative support	55,706	719	56,425
FICA	25,356	-	25,356
Health insurance	7,047	-	7,047
Life insurance	791	-	791
Longevity	1,500	-	1,500
MESC	3,067	-	3,067
Retirement	10,210	-	10,210
Uniforms	1,605	-	1,605
Total personnel	353,375	719	354,094
Vehicles:			
Cleaning	888	-	888
Gasoline	41,715	-	41,715
Insurance	24,332	-	24,332
Maintenance and repairs	19,467	-	19,467
Weekend and charter service	59,474	-	59,474
Total vehicles	145,876	-	145,876

Washington and Bruce Townships Senior Transportation Thru Advanced Reservation

Statement of Governmental Fund Revenue, Expenditures, and Changes in Fund Balance - Statement of Activities (Continued) Year Ended March 31, 2008

	Revenues and Expenditures - Modified Accrual	Adjustments (Note 2)	Statement of Activities - Full Accrual
Expenditures (Continued)			
General and administrative:			
Audit	\$ 4,870	\$ -	\$ 4,870
Disability insurance	703	-	703
Capital outlay	32,603	(32,603)	-
Radio repair	2,064	-	2,064
Miscellaneous	2,606	-	2,606
Office supplies	4,426	-	4,426
Publishing	58	-	58
Depreciation	-	24,242	24,242
Telephone	4,807	-	4,807
Utilities	20,000	-	20,000
Training	4,209	-	4,209
Workers' compensation	13,277	-	13,277
Total general and administrative	89,623	(8,361)	81,262
Total expenditures	588,874	(7,642)	581,232
Change in Fund Balance/Net Assets	(21,070)	7,642	(13,428)
Fund Balance/Net Assets			
Beginning of year	1,245,151	69,194	1,314,345
End of year	<u>\$ 1,224,081</u>	<u>\$ 76,836</u>	<u>\$ 1,300,917</u>

Washington and Bruce Townships Senior Transportation Thru Advanced Reservation

**Notes to Financial Statements
March 31, 2008**

Note I - Summary of Significant Accounting Policies

The accounting policies of Washington and Bruce Townships Senior Transportation Thru Advanced Reservation (the "System") conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the significant accounting policies used by the System.

Reporting Entity

The System was organized December 29, 1981 by a joint resolution between Washington and Bruce Townships. The System was organized to provide transportation services to residents of the two townships who are 60 years of age or older. The System is governed by a two-member board with one representative each from Bruce and Washington Townships and one alternate member from each township. The System is not considered to be a component unit of the Townships of Bruce or Washington.

The accompanying basic financial statements have been prepared in accordance with criteria established by the Government Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. Based on these criteria, there are no component units of the System that are to be included in the reporting entity.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The System's basic financial statements include both the System's full accrual financial statements and modified accrual financial statements.

Full Accrual Financial Statements

The full accrual financial statements (i.e., the statement of net assets and the statement of activities) are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants, charges for services, and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The statement of net assets includes and recognizes all long-term assets and liabilities.

Washington and Bruce Townships Senior Transportation Thru Advanced Reservation

**Notes to Financial Statements
March 31, 2008**

Note 1 - Summary of Significant Accounting Policies (Continued)

Modified Accrual Financial Statements

The modified accrual financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the System considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences are recorded only when payment is due.

Interest earned on investments is recorded on the accrual basis.

Private sector standards of accounting issued prior to December 1, 1989 are generally followed in the government-wide statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The System has elected not to follow private sector standards issued after November 30, 1989 for its full accrual presentation.

Assets, Liabilities, and Net Assets or Equity

Cash and Cash Equivalents - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

Investments - Investments are recorded at fair value, based on quoted market prices.

Property Taxes - Property taxes are levied on each December 1 on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed. Property taxes levied on December 1, 2007 are recorded as revenue for the year ended March 31, 2008.

Washington and Bruce Townships Senior Transportation Thru Advanced Reservation

Notes to Financial Statements
March 31, 2008

Note 1 - Summary of Significant Accounting Policies (Continued)

The System receives property taxes levied by the member townships of Washington and Bruce. The 2008 taxable value of all the property subject to the System's millage is \$1,274 million and \$519 million for Washington Township and Bruce Township, respectively, on which taxes levied consisted of total mills of .2138 and .2463 for each township, respectively, of which all were for operating purposes. This resulted in approximately \$410,000 for operations. This amount is recognized as tax revenue.

Capital Assets - Capital assets, which include equipment and vehicles, are reported in the statement of net assets. Capital assets are defined by Washington and Bruce Townships Senior Transportation Thru Advanced Reservation as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Capital assets are depreciated using the straight-line method over the following useful lives:

Equipment	5 years
Vehicles	5 years
Land improvements	15 years

Compensated Absences - It is the System's policy to permit full-time employees to accumulate earned but unused sick, vacation, and personal day benefits. All compensated absence pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Other accounting policies are disclosed in other notes to the financial statements.

Washington and Bruce Townships Senior Transportation Thru Advanced Reservation

**Notes to Financial Statements
March 31, 2008**

Note 2 - Reconciliation of Government-wide and Fund Financial Statements

Total fund balance and the net change in fund balance of Washington and Bruce Townships Senior Transportation Thru Advanced Reservation's modified accrual reporting differs from net assets and change in net assets of the full accrual reporting in the statement of net assets and the statement of activities. This difference results primarily from the long-term economic focus of the full accrual reporting versus the current economic focus of modified accrual reporting. The following are reconciliations of fund balance (modified accrual basis) to net assets (full accrual basis) and the net change in fund balance to the net change in net assets:

Total Fund Balance - Modified Accrual Basis	\$ 1,224,081
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Amounts reported in the statement of net assets are different because:

Capital assets are not financial resources and are not reported in the fund	86,909
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Long-term liabilities are not due and payable in the current period and are not reported in the fund	<u>(10,073)</u>
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Total Net Assets - Full Accrual Basis	<u>\$ 1,300,917</u>
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Net Change in Fund Balance - Modified Accrual Basis	\$ (21,070)
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Amounts reported in the statement of activities are different because:

Governmental funds report capital outlay as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation	32,603
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Depreciation is recorded as an expense in the statement of activities but not in the governmental funds	(24,242)
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The change in accumulated employee sick and vacation pay is recorded when earned in the statement of activities	<u>(719)</u>
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Change in Net Assets of Governmental Activities - Full Accrual Basis	<u>\$ (13,428)</u>
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Washington and Bruce Townships Senior Transportation Thru Advanced Reservation

**Notes to Financial Statements
March 31, 2008**

Note 3 - Deposits and Investments

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. A local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase; obligations of the state of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The System has designated one bank for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of state statutory authority as listed above. The System's deposits and investment policies are in accordance with statutory authority.

The System's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits - Custodial credit risk is the risk that in the event of a bank failure, the System's deposits may not be returned to it. The System does not have a deposit policy for custodial credit risk. At year end, the System had no bank deposits (certificates of deposit, checking, and savings accounts) that were uninsured and uncollateralized.

Credit Risk - State law limits investments in commercial paper to the top three ratings issued by nationally recognized statistical rating organizations. The System has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Rating	Rating Organization
Sweep account	\$ 1,299,000	N/A	Unrated

Washington and Bruce Townships Senior Transportation Thru Advanced Reservation

Notes to Financial Statements March 31, 2008

Note 4 - Capital Assets

A summary of capital assets is as follows:

	Balance - April 1, 2007	Additions	Deletions	Balance - March 31, 2008
Governmental Activities				
Capital assets being depreciated:				
Equipment	\$ 7,040	\$ 15,315	\$ -	\$ 22,355
Land improvements	25,444	17,288	-	42,732
Vehicles	291,221	-	-	291,221
Subtotal	323,705	32,603	-	356,308
Accumulated depreciation:				
Equipment	5,550	3,539	-	9,089
Land improvements	2,156	2,849	-	5,005
Vehicles	237,451	17,854	-	255,305
Subtotal	245,157	24,242	-	269,399
Net capital assets	<u>\$ 78,548</u>	<u>\$ 8,361</u>	<u>\$ -</u>	<u>\$ 86,909</u>

Note 5 - Budget Information

The annual budget is prepared by the System and adopted by Washington and Bruce Townships; subsequent amendments are approved by the boards of the above entities. Unexpended appropriations lapse at year end; encumbrances are not included as expenditures. The amount of encumbrances outstanding at March 31, 2008 has not been determined. During the current year, the budget was amended in a legally permissible manner. The budget is prepared in accordance with accounting principles generally accepted in the United States of America.

The budget is adopted on a line-item basis. Expenditures at this level in excess of amounts budgeted are a violation of Michigan law. A comparison of actual results of operations to the budget as adopted is included in the basic financial statements. This comparison included expenditure budget overruns.

Washington and Bruce Townships Senior Transportation Thru Advanced Reservation

**Notes to Financial Statements
March 31, 2008**

Note 5 - Budget Information (Continued)

Excess of Expenditures Over Appropriations - During the year, the System incurred expenditures that were in excess of the amounts budgeted, as follows:

	Amended Budget	Actual
General Fund:		
Personnel - Drivers	\$ 166,200	\$ 174,104
Personnel - Coordinator	42,127	42,719
Personnel - Administrative support	54,000	55,706
Personnel - FICA	23,800	25,356
Personnel - MESC	2,300	3,067
Vehicles - Gasoline	39,500	41,715
Vehicles - Weekend and charter service	36,000	59,474
General and administrative - Radio repair	300	2,064
General and administrative - Miscellaneous	2,000	2,606
General and administrative - Telephone	4,000	4,807
General and administrative - Workers' compensation	11,000	13,277

The unfavorable variances were caused by unanticipated expenditures that became necessary during the year.

Note 6 - Defined Contribution Retirement Plan

The System provides pension benefits to all of its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. As established by board resolution, the System contributes 15 percent of employees' base salaries. In accordance with these requirements, the System contributed \$10,210 during the current year.

Washington and Bruce Townships Senior Transportation Thru Advanced Reservation

**Notes to Financial Statements
March 31, 2008**

Note 7 - Risk Management

The System is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The System has purchased commercial insurance for medical claims and workers' compensation, and participates in the Michigan Municipal League Plan risk pool for claims relating to property loss, torts, and errors and omissions. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Michigan Municipal League Plan operates as an insurance purchasing pool for local units of government in Michigan. The plan purchases commercial insurance on behalf of its members at a lower cost than would be available on an individual basis.

Note 8 - Related Parties

The System conducts its operations in facilities owned by a local unit of government. The cost of the building space is donated to the System. The monetary value of this in-kind service has not been determined.

Required Supplemental Information

Washington and Bruce Townships Senior Transportation Thru Advanced Reservation

Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended March 31, 2008

	Original Budget	Amended Budget	Actual	Variance with Amended Budget - Favorable (Unfavorable)
Revenue				
Taxes	\$ 418,849	\$ 418,849	\$ 409,757	\$ (9,092)
Intergovernmental - Shared revenue	80,000	80,000	98,977	18,977
Interest	40,000	40,000	52,075	12,075
Donations	-	-	645	645
Weekend service	4,900	4,900	5,831	931
Miscellaneous	3,000	3,000	519	(2,481)
Total revenue	<u>\$ 546,749</u>	<u>\$ 546,749</u>	<u>\$ 567,804</u>	<u>\$ 21,055</u>
Expenditures				
Personnel:				
Drivers	\$ 161,700	\$ 166,200	\$ 174,104	\$ (7,904)
Weekend drivers	3,000	3,000	2,765	235
Coordinator	42,127	42,127	42,719	(592)
Director	18,016	18,016	18,015	1
Accounting service	10,483	10,483	10,490	(7)
Administrative support	48,500	54,000	55,706	(1,706)
FICA	21,800	23,800	25,356	(1,556)
Health insurance	10,000	10,000	7,047	2,953
Life insurance	1,100	1,100	791	309
Longevity	1,500	1,500	1,500	-
MESC	2,300	2,300	3,067	(767)
Retirement	10,594	10,594	10,210	384
Uniforms	2,500	2,500	1,605	895
Total personnel	333,620	345,620	353,375	(7,755)
Vehicles:				
Cleaning	1,000	1,000	888	112
Gasoline	31,500	39,500	41,715	(2,215)
Insurance	24,600	26,200	24,332	1,868
Maintenance and repairs	27,500	27,500	19,467	8,033
Miscellaneous	400	400	-	400
Weekend and charter service	36,000	36,000	59,474	(23,474)
Total vehicles	121,000	130,600	145,876	(15,276)

Washington and Bruce Townships Senior Transportation Thru Advanced Reservation

Required Supplemental Information Budgetary Comparison Schedule - General Fund (Continued) Year Ended March 31, 2008

	Original Budget	Amended Budget	Actual	Variance with Amended Budget - Favorable (Unfavorable)
Expenditures (Continued)				
General and administrative:				
Audit	\$ 5,470	\$ 5,470	\$ 4,870	\$ 600
Disability insurance	800	800	703	97
Capital outlay	44,000	44,000	32,603	11,397
Radio repair	300	300	2,064	(1,764)
Miscellaneous	2,000	2,000	2,606	(606)
Office supplies	4,500	4,500	4,426	74
Publishing and postage	300	300	58	242
Service contracts	1,600	1,600	-	1,600
Telephone	4,000	4,000	4,807	(807)
Utilities	8,000	20,000	20,000	-
Training	5,000	5,000	4,209	791
Administrative benefits	5,000	5,000	-	5,000
Workers' compensation	8,500	11,000	13,277	(2,277)
Total general and administrative	89,470	103,970	89,623	14,347
Total expenditures	<u>\$ 544,090</u>	<u>\$ 580,190</u>	<u>\$ 588,874</u>	<u>\$ (8,684)</u>

**Romeo, Washington, Bruce Parks and
Recreation Commission
and
Washington and Bruce Townships Senior
Transportation Thru Advanced Reservation**

**Report to the Commissions
March 31, 2008**



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To the Commissions
Romeo, Washington, Bruce Parks
and Recreation Commission
Washington and Bruce Townships Senior
Transportation Thru Advanced Reservation

We have recently completed our audit of the basic financial statements of Romeo, Washington, Bruce Parks and Recreation Commission and Washington and Bruce Townships Senior Transportation Thru Advanced Reservation (collectively, the "Commissions") for the year ended March 31, 2008. In addition to our audit report, we are providing the following report on internal control, results of the audits, and legislative informational comments which impact the Commissions:

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Results of the Audits	3-6
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We are grateful for the opportunity to be of service to Commissions. Should you have any questions regarding the comments in this report, please do not hesitate to call.

Plante & Moran, PLLC

July 28, 2008



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Report on Internal Control

July 28, 2008

To the Commissions
Romeo, Washington, Bruce Parks
and Recreation Commission
Washington and Bruce Townships Senior
Transportation Thru Advanced Reservation

Dear Commissioners:

Beginning with last year's audit, national auditing standards call for auditors to communicate matters to the governing bodies that may be useful in their oversight of the Commissions' financial management. Specifically, they require us to report internal control issues to the governing bodies that may be relatively minor, in order to allow them to evaluate their significance and make any changes they may deem appropriate. In general, these are items that would have been discussed orally with management in the past. The purpose of these new standards is to allow the governing bodies an opportunity to discuss issues when they are relatively minor, rather than waiting until they become more serious problems. We hope this report on internal control will be helpful to you, and we look forward to being able to discuss any questions you may have concerning these issues.

In planning and performing our audit of the financial statements of the Commissions as of and for the year ended March 31, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the Commissions' internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commissions' internal control. Accordingly, we do not express an opinion on the effectiveness of the Commissions' internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.



To the Commissions
Romeo, Washington, Bruce Parks
and Recreation Commission
Washington and Bruce Townships Senior
Transportation Thru Advanced Reservation

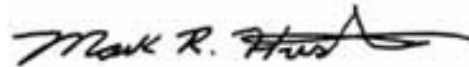
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

This communication is intended solely for the information and use of management, the Commissioners, and others within the organizations and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Plante & Moran, PLLC

A handwritten signature in black ink, appearing to read "Mark R. Hurst", with a stylized flourish at the end.

Mark R. Hurst



Plante & Moran, PLLC
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Clinton Township, MI 48038
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Results of the Audit

July 28, 2008

To the Commissions
Romeo, Washington, Bruce Parks
and Recreation Commission
Washington and Bruce Townships
Senior Transportation Thru Advanced Reservation

We have audited the financial statements of Romeo, Washington, Bruce Parks and Recreation Commission and Washington and Bruce Townships Senior Transportation Thru Advanced Reservation for the year ended March 31, 2008 and have issued our report thereon dated July 28, 2008. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letters dated February 29, 2008, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. We are responsible for planning and performing the audits to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. As part of our audits, we considered the internal control of Romeo, Washington, Bruce Parks and Recreation Commission and Washington and Bruce Townships Senior Transportation Thru Advanced Reservation. Our consideration of internal control was solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters and our audits of the financial statements do not relieve you or management of your responsibilities.

To the Commissions
Romeo, Washington, Bruce Parks
and Recreation Commission
Washington and Bruce Townships Senior
Transportation Thru Advanced Reservation

We also are obligated to communicate certain matters related to our audits to those responsible for the governance of Romeo, Washington, Bruce Parks and Recreation Commission and Washington and Bruce Townships Senior Transportation Thru Advanced Reservation, including certain instances of error or fraud and significant deficiencies in internal control that we identify during our audits. In certain situations, *Government Auditing Standards* require disclosure of illegal acts to applicable government agencies. If such illegal acts were detected during our audits, we would be required to make disclosures regarding these acts to applicable government agencies. No such disclosures were required.

Planned Scope and Timing of the Audit

We performed the audits according to the planned scope and timing previously communicated to you in our meeting about planning matters on May 29, 2008.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Romeo, Washington, Bruce Parks and Recreation Commission and Washington and Bruce Townships Senior Transportation Thru Advanced Reservation are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2008.

We noted no transactions entered into by the organizations during the year for which there is a lack of authoritative guidance or consensus.

There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

To the Commissions
Romeo, Washington, Bruce Parks
and Recreation Commission
Washington and Bruce Townships Senior
Transportation Thru Advanced Reservation

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audits.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audits, other than those that are trivial, and communicate them to the appropriate level of management. No corrected or uncorrected misstatements were identified.

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's reports. We are pleased to report that no such disagreements arose during the course of our audits.

Management's Representations

We have requested certain representations from management that are included in the management representation letter dated July 28, 2008.

Management's Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the organizations' financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

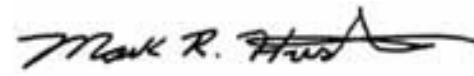
In the normal course of our professional association with the organizations, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the organizations, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the organizations' auditors.

To the Commissions
Romeo, Washington, Bruce Parks
and Recreation Commission
Washington and Bruce Townships Senior
Transportation Thru Advanced Reservation

This information is intended solely for the use of the Commissions and management of Romeo, Washington, Bruce Parks and Recreation Commission and Washington and Bruce Townships Senior Transportation Thru Advanced Reservation and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Plante & Moran, PLLC

A handwritten signature in black ink, appearing to read "Mark R. Hurst", with a stylized flourish at the end.

Mark R. Hurst

Informational/Legislative Comments

Property Tax Revenue

Property taxes have consistently been one of Commissions' largest revenue sources. With the continuing downturn in the real estate market, the Legislature is picking up some bills that were proposed back in 2007 that they hope will help spur sales. This includes potential legislation that would adjust the mechanics of the general property tax act. The nature of the legislation has ranged from the suspension of the "pop-up" or increase in taxable value that occurs when a property sells or a "super cap" on taxable value that prohibits an increase in taxable value when market values are declining. The outcome of this legislation could also have a significant impact on the Commissions. We will keep you informed as significant events unfold.

In addition, the Commissions need to be aware of the potential financial impact of reduced housing market values. Property tax assessments were finalized in May 2008. Declines in market values (state equalized value) may threaten the inflationary growth in taxable value that communities had been experiencing following the passage of Proposal A. It is important to understand the connection between market value declines and taxable value declines. On the one hand, a reduction in SEV (state equalized value) will not immediately result in an equivalent reduction in TV (taxable value, which is what the tax bills are now based on). The reason for this is that TVs were held down in those years since 1994 when property values increased faster than inflation; now that they are increasing less than inflation (or decreasing), Proposal A allows the TVs to continue increasing at the inflationary rate, up until the point that TV meets SEV. While some properties have already met this ceiling, the majority have not, and for this reason many communities expect 2008 TV in total to increase or decrease only slightly. However, it is important to understand that if the market downturn continues, more and more properties will hit this ceiling where TV meets SEV, and the impact will be more drastic each year we go forward. We caution the Commissions to keep this in mind as they begin their 2009 budget deliberations.

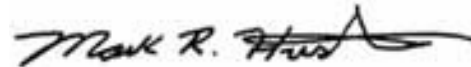
Information Technology

As required by the new auditing standards, reviews of the Commissions' IT systems were performed. One item noted during the reviews was that there is no data change management system in place. We recommend that one be established to document any changes in access to the general ledger system. The data change form should be maintained in the appropriate employee's personnel file.

We would like to thank the Commissioners for the opportunity to serve as auditors for Commissions. We would also like to express our appreciation for the courtesy and cooperation extended to us by the administration during the audits. If you would like to discuss any of these matters, or would like assistance in their implementation, please contact us.

Very truly yours,

Plante & Moran, PLLC

A handwritten signature in black ink that reads "Mark R. Hurst". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mark R. Hurst

A handwritten signature in black ink that reads "Pamela L. Hill". The signature is cursive, with the first name "Pamela" written in a larger, more prominent script than the last name "Hill".

Pamela L. Hill